

# DEPARTMENT OF MANAGEMENT AND BUDGET

## FAIRFAX COUNTY ECONOMIC INDICATORS ©

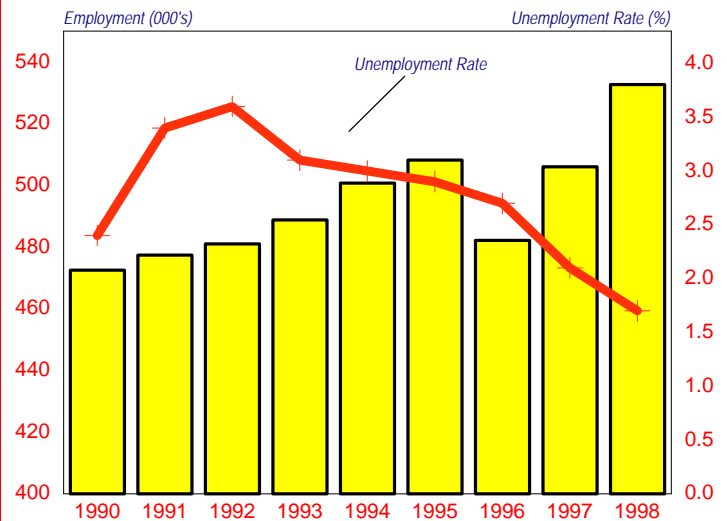
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### DECEMBER HIGHLIGHTS

- ❑ Issues of new residential dwelling permits dropped significantly in November. Despite this decline, however, the total number of permits issued to date tops the prior year by 30.8 percent, or 1,858 permits. By contrast, the number of nonresidential building permits issued by the County through November trails the same period last year by 13.0 percent, or 36 permits.
- ❑ The median sales prices of existing single family homes and townhomes through October have increased relative to last year, while that of existing condominiums has declined. Comparatively, the median sales prices of all types of new homes have increased slightly.
- ❑ The sales volumes of all types of existing homes through October continue to outpace that of 1997 by significant margins, while the sales volumes of new single family homes and townhomes indicate more moderate increases.
- ❑ The Conference Board's South Atlantic Consumer Confidence Index bounced back in November, registering a gain of 7.4 points to 138.3. The National Consumer Confidence Index also rebounded in November, gaining 6.7 points to 126.0.
- ❑ Both the Fairfax County Coincident and Leading Indices declined slightly in October, as did the Virginia Coincident and Leading Indices.

### RESIDENTIAL EMPLOYMENT - OCTOBER



Source: Virginia Employment Commission  
Compiled by the Fairfax County Dept. of Management and Budget

*Low unemployment rate indicates strong local job market...*

The County's unemployment rate decreased 0.2 points in October, to 1.7 percent, according to the Virginia Employment Commission (VEC). The unemployment rate is still notably below that of one year ago when a rate of 2.1 percent was recorded. The VEC also reported that 532,635 Fairfax County residents were employed in October, up 5.3 percent, or 26,560 jobs, over the prior year.

*Unemployment rate at State level declined slightly, while it remained unchanged at national level...*

The Commonwealth's unemployment rate also declined in October, dropping 0.3 points to 2.9 percent. Again, this rate is significantly below that of the prior year when the unemployment rate was 3.5 percent. Nationally, the unemployment rate remained at 4.6 percent in October.

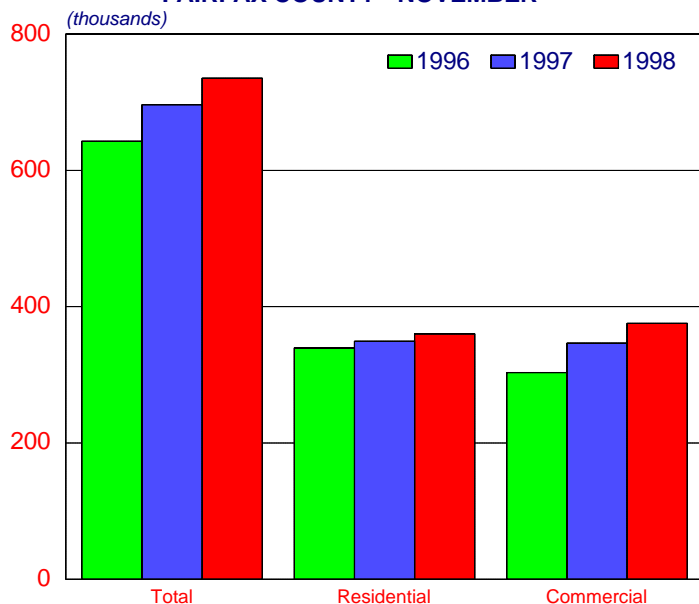


The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

<http://www.co.fairfax.va.us/comm/economic/economic.htm>



### BELL ATLANTIC TELEPHONE LINES FAIRFAX COUNTY - NOVEMBER



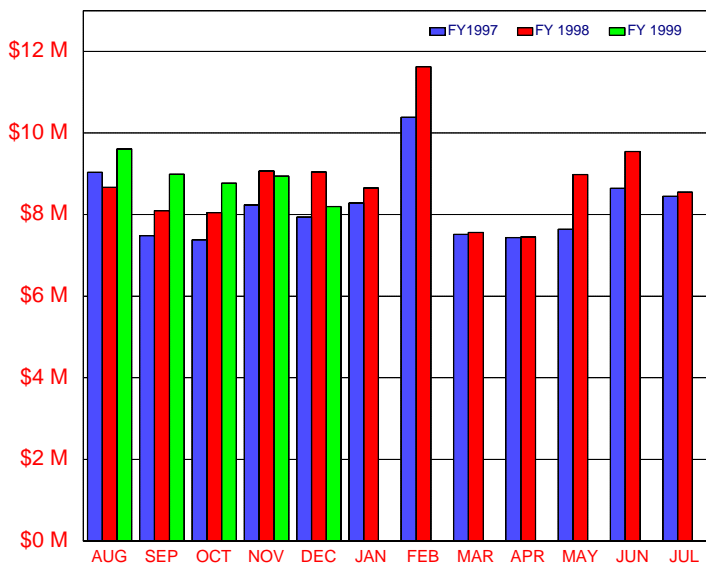
Source: Bell Atlantic  
Compiled by the Fairfax County Dept. of Management and Budget

*Business sector continues to fuel growth in the number of telephone lines in the County...*

As of November 30, 1998, Bell Atlantic, the primary provider of local telephone service in Fairfax County, maintained 735,309 telephone lines, up 39,235 lines, or 5.6 percent, over November 1997. The business sector added the majority, or 28,705, of the new telephone lines over the past 12 months. Total business lines in the County are up 8.3 percent to 375,361 lines. Residential telephone lines totaled 359,948 as of November, an increase of 10,530 lines, or 3.0 percent, over the prior year.

### SALES TAX REVENUES

(revenues represent retail sales two months prior)



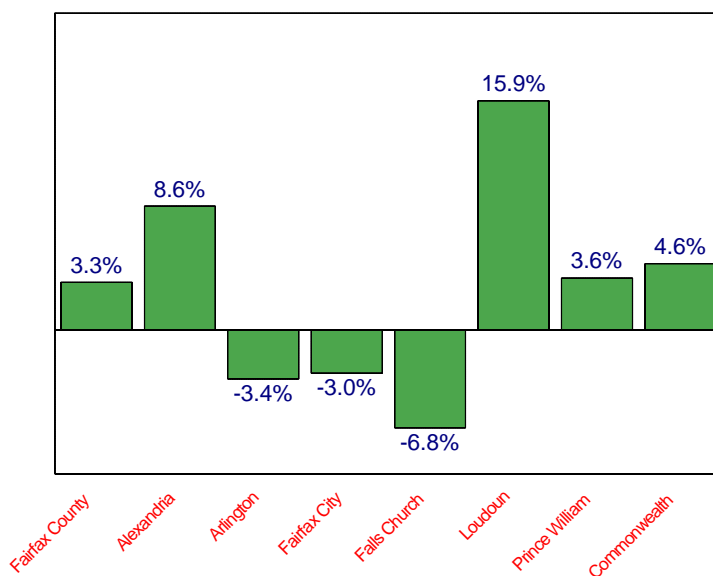
Source: Virginia Department of Taxation  
Compiled by the Fairfax County Dept. of Management and Budget

*County Sales Tax receipts up 3.3 percent through December, as compared to last fiscal year...*

however, that two of the twenty largest dealers did not file in time to be included in the December distribution. To date, fiscal year Sales Tax receipts total \$44.3 million and lead last year by a 3.3 percent margin.

Fairfax County's December Sales Tax receipts, representing October retail purchases, are \$8.2 million and trail the prior year by 9.3 percent. It should be noted

### FY 1999 SALES TAX RECEIPTS -THROUGH DECEMBER



Source: Virginia Department of Taxation  
Compiled by the Fairfax County Dept. of Management and Budget

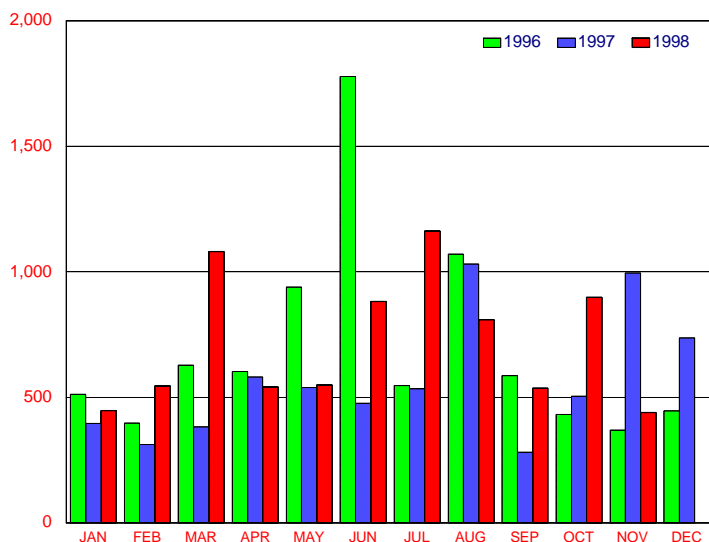
*October retail performance throughout Northern Virginia somewhat weak...*

October retail performance, as indicated by December Sales Tax receipts, was not particularly strong in Northern Virginia. Only Loudoun registered a significant increase in December. Sales Tax receipts through December are up 15.9 percent in Loudoun, 8.6 percent in Alexandria, and 3.6 percent in Prince William. By contrast, cumulative Sales Tax receipts trail the prior year by 6.8 percent in Falls Church, 3.4 percent in Arlington and 3.0 percent in Fairfax City. The Commonwealth experienced a slight decrease of 0.5 percent in its December Sales Tax receipts. Despite this decrease, cumulative Sales Tax receipts through December for the Commonwealth top the prior year by 4.6 percent. As mentioned earlier, two large dealers did not file in time for the December distribution, thereby dampening receipts.

*National retail sales increased 6.0 percent in October...*

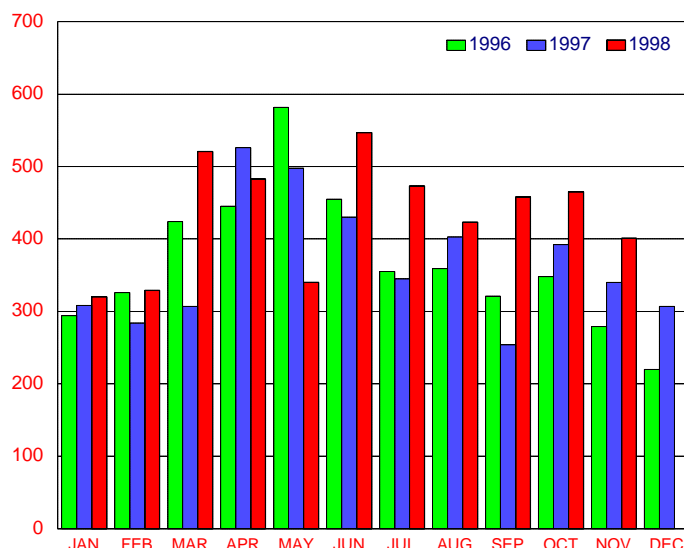
According to the Commerce Department, October retail sales on the national level outpaced the prior year by 6.0 percent. Durable goods sales posted an advance of 7.9 percent, reflecting gains in all three components, while non-durable goods sales surpassed the prior year by 4.7 percent. Five of the six major components of non-durable goods sales made positive contributions, ranging from an increase of 4.6 percent to 8.5 percent. Drug and Proprietary Stores, as well as Eating and Drinking Places, experienced the more significant gains. Gasoline Service Stations continue to register declines relative to the prior year due to historically low oil prices.

### NUMBER OF RESIDENTIAL BUILDING PERMITS NEW DWELLINGS



Source: Department of Environmental Management  
Compiled by the Fairfax County Dept. of Management and Budget

### NUMBER OF RESIDENTIAL BUILDING PERMITS NEW SINGLE FAMILY DWELLINGS

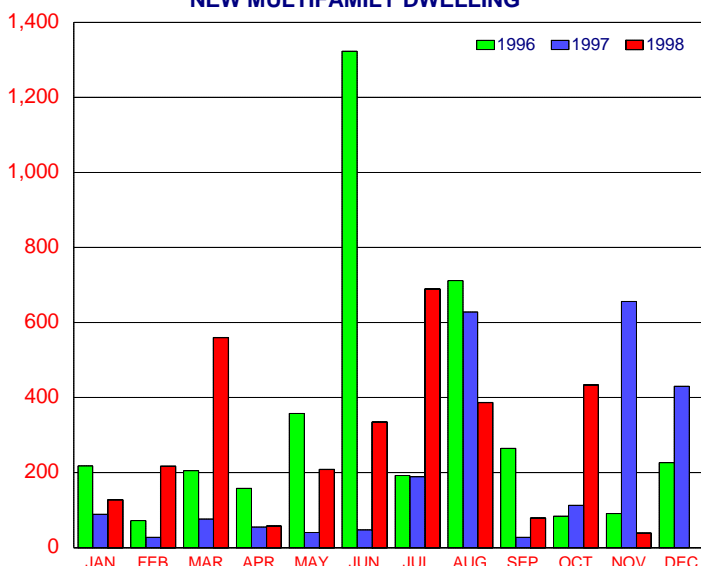


Source: Department of Environmental Management  
Compiled by the Fairfax County Dept. of Management and Budget

*The number of residential permits issued to date top prior year....*

Issues of new residential dwelling permits in November dropped significantly, trailing November 1997 by 55.8 percent, or 556 permits. Despite this significant decrease, the 7,895 permits issued to date top the prior year by 30.8 percent, or 1,858 permits. This lead is primarily due to gains in the multifamily component. To date, 3,135 permits have been issued for multifamily structures, reflecting an increase of 60.8 percent, or 1,185 permits relative to last year. Permit issues for single family structures total 4,760 through November, up 16.5 percent, or 673 permits, relative to 1997.

### NUMBER OF RESIDENTIAL BUILDING PERMITS NEW MULTIFAMILY DWELLING



Source: Department of Environmental Management  
Compiled by the Fairfax County Dept. of Management and Budget

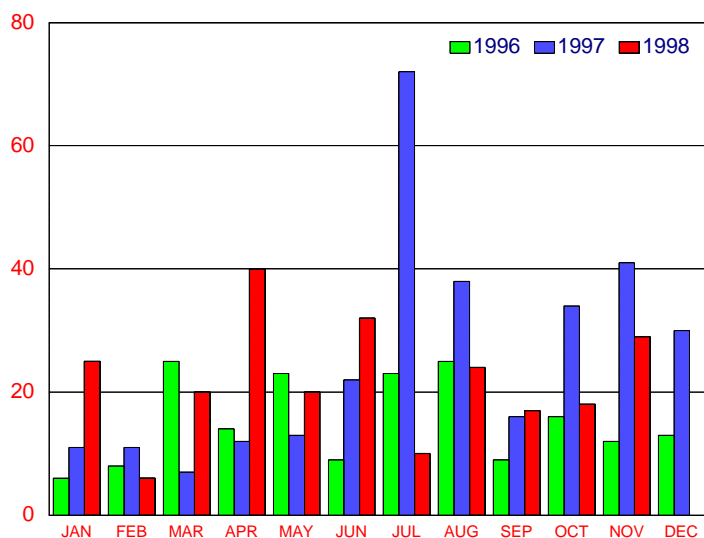
*Housing starts on national level top prior year by 9.5 percent through November....*

New privately owned housing starts on the national level continue to lead the prior year. Through November, housing starts are outpacing the same period in 1997 by 9.5 percent, according to the Commerce Department. Regionally, the South is registering the greatest lead with an 11.1 percent increase, followed by gains of 8.3 percent in the West, 8.0 percent in the Midwest and 7.9 percent in the Northeast.

*The number of residential building permits issued nationwide continues to exceed the prior year....*

The Commerce Department also reported that the number of residential building permits issued nationwide through November continues to exceed that of the prior year. To date, a lead of 10.6 percent has been established, with growth experienced in all four regions. Residential building permit issues are up 14.0 percent in the South, 10.1 percent in the Northeast, 8.8 percent in the West, and 6.0 percent in the Midwest.

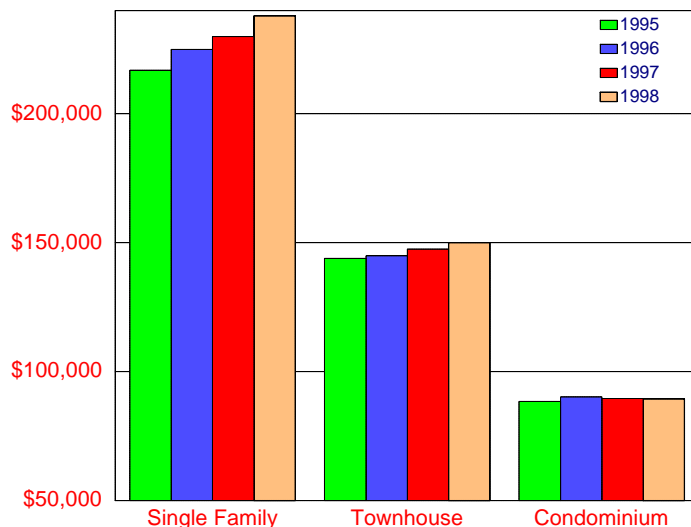
### NUMBER OF NONRESIDENTIAL BUILDING PERMITS NEW STRUCTURES



Source: Department of Environmental Management  
Compiled by the Fairfax County Dept. of Management and Budget

### HOME SALES IN FAIRFAX COUNTY

#### MEDIAN PRICE OF EXISTING HOMES SOLD JANUARY-OCTOBER 1998 COMPARED TO ANNUAL MEDIAN PRICES 1995 - 1997



Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

*Number of nonresidential permits issued by the County through November trails prior year...*

The number of nonresidential permits issued by the County in November trails the prior year by 29.3 percent, or 12 permits. To date, a cumulative deficit of 13.0 percent, or 36 permits, exists relative to 1997. A total of 241 nonresidential permits have been issued to date.

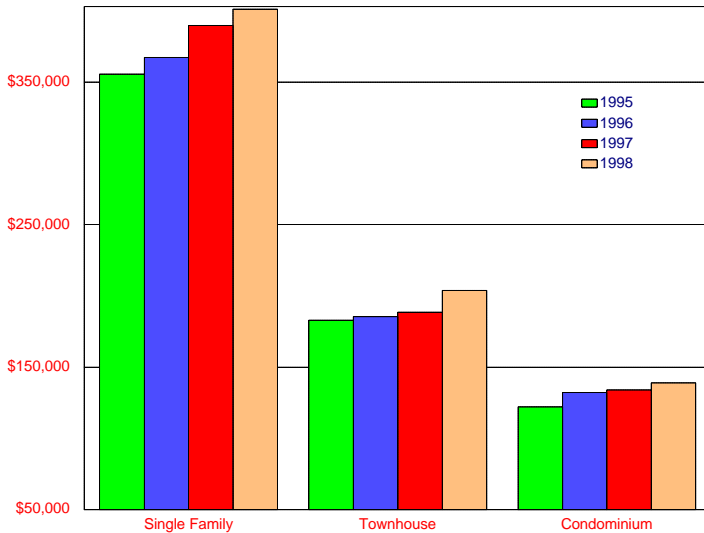
The number of nonresidential repair and alteration permits issued by the County in November also fell short of the prior year. The 3,577 nonresidential repair and alteration permits issued to date, however, lead the prior year by a modest 1.9 percent, or 67 permits.

*Modest increases in the median selling prices of existing single family and townhomes are being registered...*

Based on sales data through October, the median selling prices of existing single family homes and townhomes continue to exhibit modest increases, while that of existing condominiums still lags slightly behind 1997. The median selling price of existing single family homes sold through October is \$238,000, an increase of \$8,000, or 3.5 percent, over 1997's median selling price of \$230,000. Additionally, a median price of \$150,000 has been established for existing townhomes sold through October, up 1.7 percent over the \$147,500 registered in 1997. By contrast, existing condominium sales through October indicate a slight decline of 0.1 percent in the median selling price to \$89,500 from 1997's \$89,625.

Please note that staff verifies that each real estate transaction is an arms-length sale. In doing so, these data may be revised.

**MEDIAN PRICE OF NEW HOMES SOLD  
JANUARY - OCTOBER 1998  
COMPARED TO ANNUAL MEDIAN PRICES 1995 - 1997**

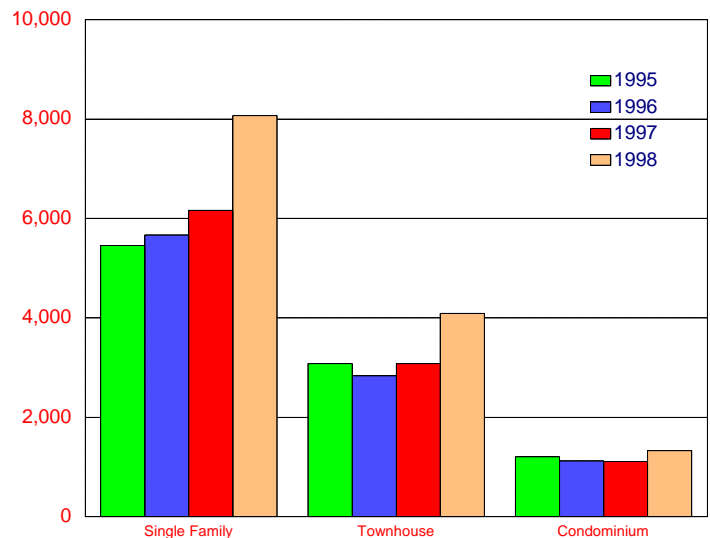


Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

*Median selling prices for all types of new homes up through October...*

Sales data through October indicate increases in the median selling prices of all types of new homes. Through October, the median selling price of new townhomes has increased 8.2 percent to \$203,914 from the \$188,481 established in 1997. The median selling price of new condominiums has also posted a gain, topping 1997's \$134,038, by 3.7 percent to \$139,017. The median selling price of new single family homes increased a more modest 3.0 percent, to \$401,248 from the \$389,747 established in 1997.

**NUMBER OF EXISTING HOMES SOLD  
JANUARY - OCTOBER**



Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

*Sales volume of existing homes is up significantly through October...*

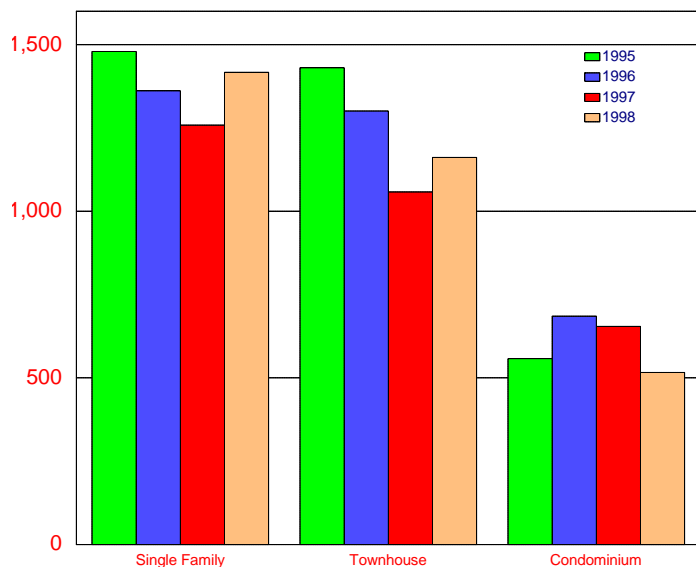
The sales volumes of all types of existing homes in October outpaced that of one year ago, thereby contributing to the year-to-date leads established in prior months. To date, 4,088 existing townhomes have been sold, up 32.9 percent, or 1,012 units as compared to 1997. Sales of existing single family homes for this period total 8,066 and top the prior year by 30.9 percent, or 1,903 units. Through October, 1,329 existing condominiums were sold, exceeding last year's volume by 20.3 percent, or 224 units.

**PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD  
JANUARY - OCTOBER 1998 COMPARED TO 1997 ANNUAL**

	Existing Sales	New Sales
Single Family	3.5	3.0
Townhouse	1.7	8.2
Condominium	-0.1	3.7

Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

### NUMBER OF NEW HOMES SOLD JANUARY - OCTOBER



Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

*Sales volumes of new single family and town-homes up, while that of new condominiums trail the prior year...*

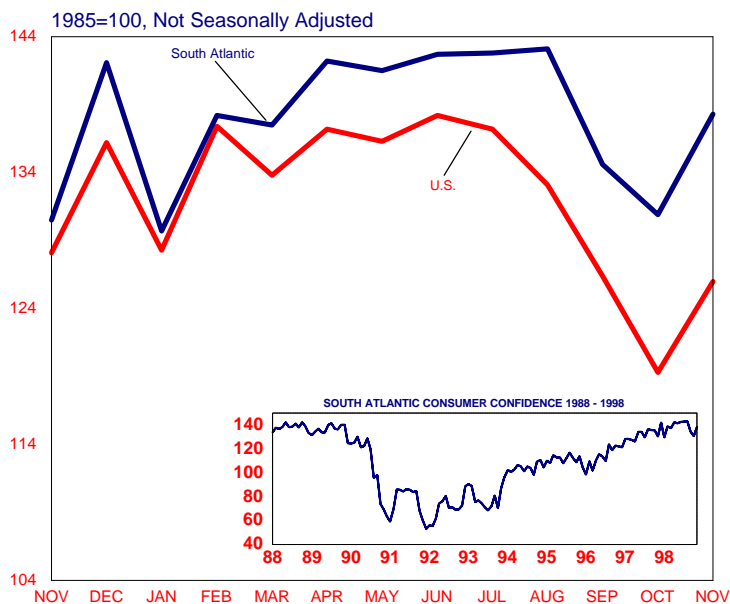
Through October, the sales volume of new condominiums trails the prior year significantly, while sales of new townhomes and single family homes indicate increases. Through October, only 516 new condominiums were sold, indicating a deficit of 21.2 percent, or 139 units, compared to the prior year. By contrast, the 1,417 new single family homes sold to date, indicate an increase of 12.6 percent, or 159 units, over the prior year. Additionally, 1,162 new townhomes have been sold through October, an increase of 9.8 percent, or 104 units over the prior year.

*Sales of new homes up nationwide through October...*

Through October, the sales volume of new homes nationwide leads the prior year by 8.7 percent, according to the Commerce Department. New home sales to date are varied in the four regions, with sales up 17.6 percent in the Midwest, 8.4 percent in the West, 7.0 percent in the South, and a more modest 1.4 percent in the Northeast.

### ADDITIONAL INDICATORS

#### CONSUMER CONFIDENCE INDICES



Compiled by the Fairfax County Dept. of Management and Budget

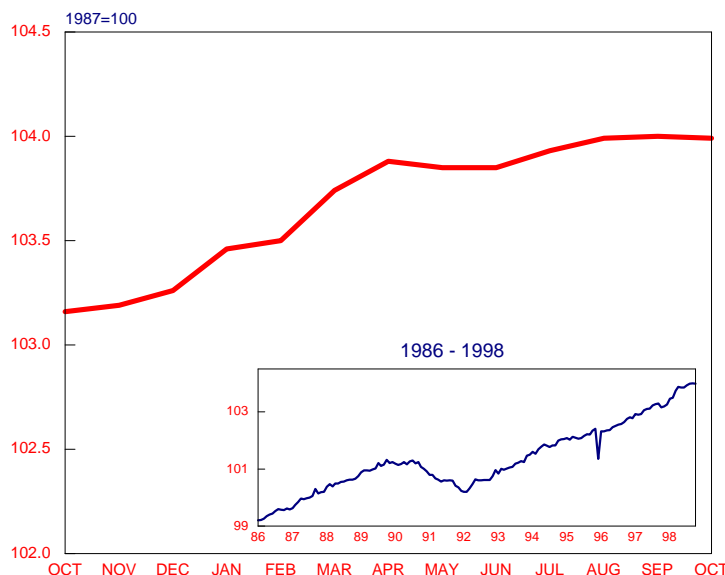
*Consumer confidence bounced back in November...*

The Conference Board's South Atlantic Consumer Confidence Index bounced back in November after declining significantly for two consecutive months, gaining 7.4 points to 138.3. The South Atlantic Consumer Index now leads November 1997 by 7.8 points. The national Consumer Confidence Index also gained in November, after declining for four consecutive months. November's 6.7 point increase brought the Index to 126.0. The Index now lags its November 1997 level by 2.1 points. Analysts at the Conference Board report that rising consumer expectations regarding the short-term outlook drove the rebound.



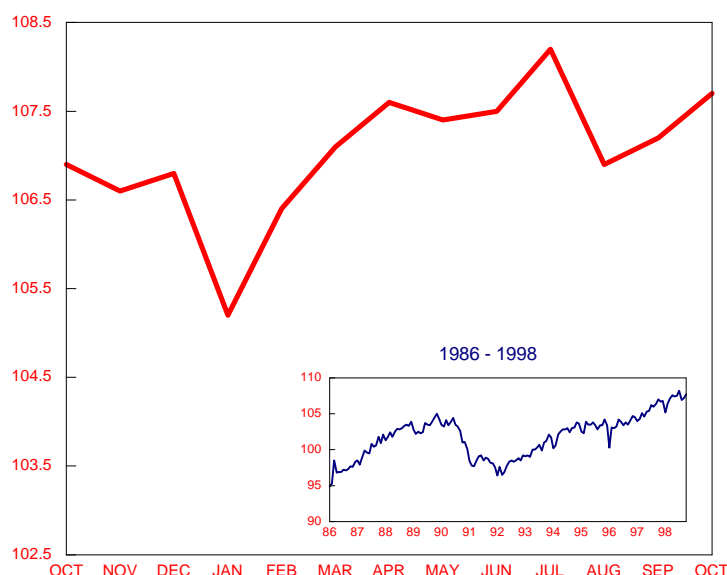
The following section includes a discussion of economic indices for three different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in 9 to 12 months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices which consider the Washington Metropolitan economy and the Virginia Indices which focus on the entire Commonwealth. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

### FAIRFAX COUNTY COINCIDENT INDEX



Sources: Center for Regional Analysis, George Mason University  
Fairfax County Dept. of Management and Budget

### METROPOLITAN COINCIDENT INDEX



Source: Center for Regional Analysis, George Mason University  
Compiled by the Fairfax County Dept. of Management and Budget

#### Coincident Index dips in October...

The Fairfax County Coincident Index, which represents the current state of the County's economy, declined 0.01 point in October, to 103.99. Year-to-date, however, the Index has gained 0.6 percent, exceeding its gain for the same period in 1997. Two of the Index's four components made positive contributions in October. Total employment increased for the fourth consecutive month and Sales Tax receipts, adjusted for inflation and seasonal variation, had the largest one-month gain since March. In contrast, Transient Occupancy Tax collections, adjusted for inflation and seasonal variation, declined for the fifth consecutive month and consumer confidence declined for the second time in the last three months.



#### Metropolitan Coincident Index posts gain in October...

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, gained 0.5 points in October, increasing to 107.17. The Index now leads the prior year by 0.8 points. Three of the Index's four components registered gains in October, including domestic airport passenger volume at Ronald Reagan National Airport, non-durable goods sales and total wage and salary employment. By contrast, consumer confidence declined slightly in October.

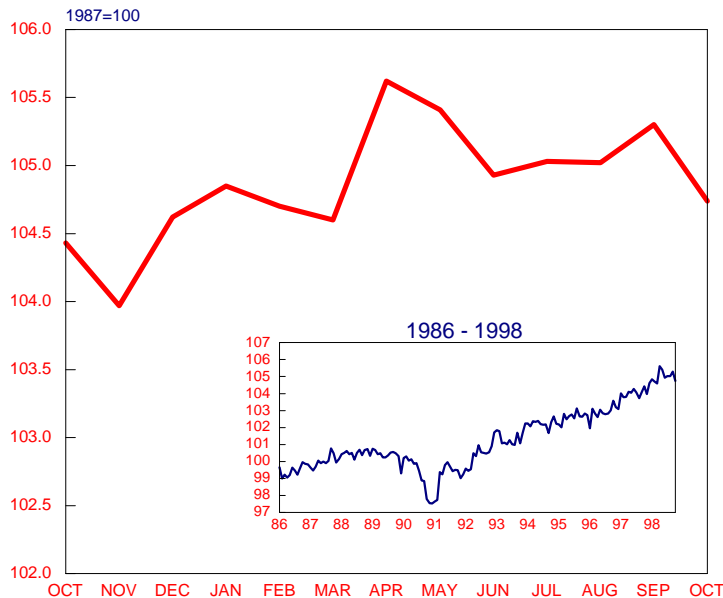


#### Virginia Coincident Index declined in October after four months of consecutive gains...

Crestar Bank's Virginia Coincident Index declined 0.3 points to 157.0 in October, the first decline after four consecutive gains. Over the past 12 months, the Index has increased 3.3 points, which is the smallest 12-month gain since March 1997. All but one of the Index's six components fell in October. Electricity consumption was the single largest negative component, but employment in the manufacturing sector, along with the real average hourly wage, real taxable sales and real bank deposits declined also. By contrast, total non-farm employment provided the only positive contribution to the Index.

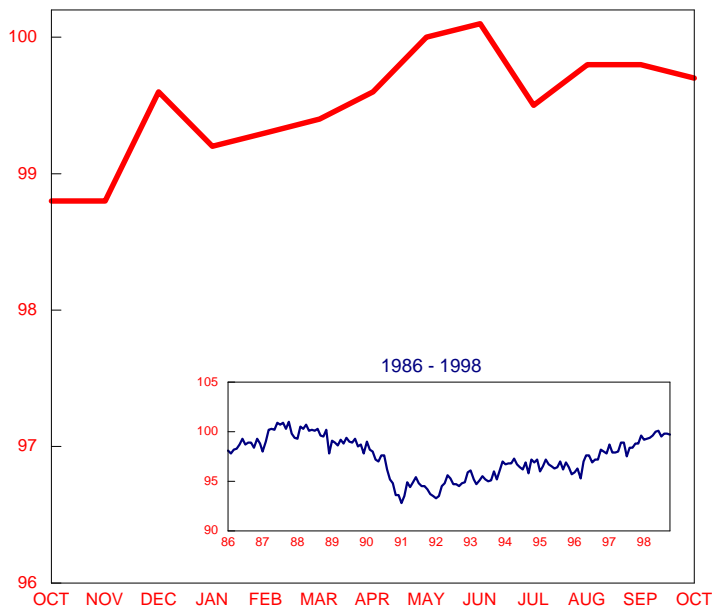


## FAIRFAX COUNTY LEADING INDEX



Sources: Center for Regional Analysis, George Mason University  
Fairfax County Dept. of Management and Budget

## METROPOLITAN LEADING INDEX



Source: Center for Regional Analysis, George Mason University  
Compiled by the Fairfax County Dept. of Management and Budget

*Moderation in County's  
future economic  
performance suggested...*

The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in the future, declined 0.56 points to 104.74 in October. This is the Index's sixth decline in ten months. However, the Index has gained 0.78 percent over this period due to April's strong performance. Despite April's performance, the Index has been trending slightly negative over the year, pointing towards a slower economy in the latter part of 1999. Four of the Index's five components made negative contributions in October. New automobile registrations declined for the second time in three months and for the seventh time in ten months, initial claims for unemployment insurance increased (worsened), consumer expectations decreased for the second consecutive month and the mean value of residential building permits decreased after a two month gain. In contrast, residential building permits increased sharply after declining for two months.



*Metropolitan  
Leading Index  
declined slightly...*

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, declined very slightly by 0.1 point to 99.7 in October. The Index now leads October 1997 by 0.6 points. Initial unemployment claims declined (improved) while the Help Wanted Index registered no change. By contrast, total building permits declined significantly, while more modest losses were registered in consumer expectations and durable goods sales, adjusted for inflation and seasonal variation.



*Virginia Leading  
Index also posted  
slight declines...*

The Virginia Leading Index, produced by Crestar Bank, registered a slight decline of 0.1 point to 167.4 in October. During the past 12 months, the Index has risen 3.7 points. Four of the Index's nine components made positive contributions in October. The Virginia Stock value increased significantly, while more modest positive contributions were made by initial unemployment claims, which declined (improved), the average weekly hours in manufacturing, residential building permits and the U.S. Leading Index. By contrast, new auto registrations dropped sharply, as did new business starts, real nonresidential building contracts and newspaper ad lineage.



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